

## **FY 2009-11 Aging-Related HHS Budget Highlights**

North Carolina faced a \$4 billion shortfall last year - and is experiencing its deepest recession since the Great Depression. Revenues simply aren't keeping up with expenditures and North Carolina is constitutionally required to pass a balanced budget. Since the Department of Health and Human Services is second only to Education in the amount of State dollars it requires, reductions unfortunately had to be made in the Department and no division of DHHS was spared. The intent was to pass a budget that preserved the system of health care and long-term care statewide.

### **Division of Aging and Adult Services**

- **Eliminate Quality Improvement Consultation Plan**
  - (\$190,204) R in both years eliminates funding for the Quality Improvement Program pilot for Adult Care Homes in four counties.
- **Eliminate Senior Center Outreach**
  - (\$100,000) R in both years eliminates funding for the Senior Center Outreach Program, previously allocated to the 17 Area Agencies on Aging to promote the use of services available through senior centers.
- **Reduce and Replace Home and Community Care Block Funding**
  - (\$500,000) NR reduction in both years in Home and Community Care Block Grant (HCCBG) funding – the largest source of funding for services for seniors within the Division. Additionally, another (\$1,384,392) NR reduction in HCCBG for FY 2009-10 was offset by one-time federal recovery funds for senior nutrition.
- **Project CARE**
  - \$500,000 NR expansion in both years for Project C.A.R.E (Caregiver Alternatives to Running on Empty), a respite care program for caregivers of persons with Alzheimer's and dementia.
- **Senior Community Service Employment**
  - \$1,174,058 NR in federal recovery funds for the Senior Community Service Employment Program (SCSEP), which places economically disadvantaged individuals 55 years of age and old with an income at or below 125% of the federal poverty level into part-time community service programs while transitioning clients into unsubsidized employment.

### **Division of Health Service Regulation**

- **Increases in Annual Fees for License Renewals and Initial Facilities**
  - (\$1,122,990) R for increased annual fees and an initial fee for new providers for adult care homes, hospitals, nursing facilities, mental health and other providers that serve seniors.

## **Division of Medical Assistance**

- **Provider Rate Reductions**
  - (\$76,440,896) R in FY 2009-10 and (\$82,261,586) R in FY 2010-11 reduces provider rates across all Medicaid providers, except for federally qualified health centers, rural health centers, school-based and school-linked health centers, State institutions, hospital outpatient, pharmacy, and the non-inflationary components of the case-mix reimbursement system for skilled nursing facilities. Focus on protecting access to primary care (S.L. 2009-451, Sec. 10.68A(a)(8)).
- **Modify Personal Care Services Benefits**
  - (\$40,000,000) R in FY 2009-10 and (\$60,000,000) in FY 2010-11 reduces personal care services benefits to reduce overutilization of services. Requires independent assessment, physician attestation, and clarifies qualifying activities of daily living (S.L. 2009-451, Sec. 10.68A(a)(3)).
- **Reduce Nursing Home Cost Ceiling**
  - (\$2,298,778) R in FY 2009-10 and (\$2,444,230) R in FY 2010-11 in reductions due to reducing the reimbursement cost ceiling for nursing facilities from 103.5% of State median cost to 102.6% of State median cost.

## **Division of Public Health**

- **Stroke Prevention**
  - \$450,000 NR for the operation of the Stroke Advisory Council, the continued implementation of public awareness campaign, and identification of stroke rehabilitation services throughout the State.
- **North Carolina Arthritis Patient Services**
  - \$50,000 NR for a grant-in-aid to North Carolina Arthritis Patient Services to support activities.

## **Division of Social Services**

- **Reduce State/County Special Assistance Rates**
  - (\$2,260,521) R in FY 2009-10 and (\$3,286,281) R in FY 2010-11 reductions, the result of retracting 75% of the State/County Special Assistance rate increase made effective January 1, 2009, holding harmless disenfranchised recipients for the change in the standard of need. SA pays for room and board for low-income folks in adult care homes.